

**EMBLAZE ACADEMY  
CHARTER SCHOOL**

**Audited Financial Statements In Accordance  
With Government Auditing Standards**

**June 30, 2020**

# EMBLAZE ACADEMY CHARTER SCHOOL

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## **Independent Auditor's Report**

To the Board of Trustees of  
Emblaze Academy Charter School

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Emblaze Academy Charter School (the "School"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

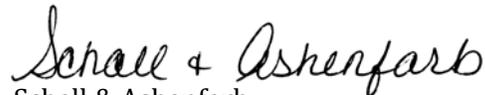
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Emblaze Academy Charter School as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Report on Summarized Comparative Information***

We have previously audited the School's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 17, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2020 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

  
Schall & Ashenfarb  
Certified Public Accountants, LLC

October 27, 2020

**EMBLAZE ACADEMY CHARTER SCHOOL  
STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2020**

(With comparative totals as of June 30, 2019)

	<u>6/30/20</u>	<u>6/30/19</u>
<b>Assets</b>		
Cash and cash equivalents	\$222,838	\$361,739
Grants receivable - New York City (Note 3)	34,533	8,776
Grants receivable - other	267,322	39,294
Prepaid expenses and other assets	217,055	63,684
Security deposits	220,834	220,834
Restricted cash (Note 4)	50,013	25,001
Fixed assets, net (Note 5)	<u>343,572</u>	<u>159,706</u>
Total assets	<u><u>\$1,356,167</u></u>	<u><u>\$879,034</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$137,393	\$135,480
Paycheck Protection Program Loan (Note 6)	338,725	0
Deferred rent	<u>1,036,863</u>	<u>0</u>
Total liabilities	<u>1,512,981</u>	<u>135,480</u>
Net assets:		
Without donor restrictions	<u>(156,814)</u>	<u>743,554</u>
Total liabilities and net assets	<u><u>\$1,356,167</u></u>	<u><u>\$879,034</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**EMBLAZE ACADEMY CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

(With comparative totals for the period from inception through June 30, 2019)

	<u>6/30/20</u>	<u>6/30/19*</u>
Public support and revenue:		
Public school district: (Note 3)		
Revenue - resident student enrollment	\$2,635,681	\$1,374,186
Revenue - students with special education services	<u>793,561</u>	<u>407,214</u>
Total public school district revenue	3,429,242	1,781,400
New York City rental assistance (Note 3)	790,462	411,337
Other government grants	327,221	1,028,962
Contributions	80,000	327,140
Other income	<u>1,507</u>	<u>4,173</u>
Total revenue and public support	<u>4,628,432</u>	<u>3,553,012</u>
Expenses:		
Program services:		
Regular education	3,501,900	1,599,510
Special education	<u>1,427,037</u>	<u>618,187</u>
Total program services	<u>4,928,937</u>	<u>2,217,697</u>
Supporting services:		
Management and general	599,863	566,881
Fundraising	<u>0</u>	<u>24,880</u>
Total supporting services	<u>599,863</u>	<u>591,761</u>
Total expenses	<u>5,528,800</u>	<u>2,809,458</u>
Change in net assets	(900,368)	743,554
Net assets - beginning of year	<u>743,554</u>	<u>0</u>
Net assets - end of year	<u><u>(\$156,814)</u></u>	<u><u>\$743,554</u></u>

\* Reclassified for comparative purposes

*The attached notes and auditor's report are an integral part of these financial statements.*

**EMBLAZE ACADEMY CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020**

(With comparative totals for the period from inception through June 30, 2019)

	Program Services			Supporting Services	Total Expenses 6/30/20	Total Expenses 6/30/19
	Regular Education	Special Education	Total Program Services	Management and General		
Salaries	\$1,174,762	\$478,719	\$1,653,481	\$289,097	\$1,942,578	\$1,241,503
Payroll taxes and benefits	213,750	87,104	300,854	51,632	352,486	239,275
Total personnel costs	1,388,512	565,823	1,954,335	340,729	2,295,064	1,480,778
Professional fees	38,400	15,648	54,048	164,724	218,772	289,401
Curriculum and classroom expenses	49,703	20,254	69,957		69,957	90,054
Facilities expense	1,881,199	766,595	2,647,794		2,647,794	716,809
Equipment	4,692	1,912	6,604	16,870	23,474	34,057
Office expenses	367	150	517	53,989	54,506	72,280
Professional development	12,952	5,278	18,230		18,230	34,308
Insurance	26,373	10,747	37,120	6,371	43,491	33,147
Recruitment	44,614	18,181	62,795		62,795	23,154
Other expenses	289	118	407	17,180	17,587	12,274
Depreciation	54,799	22,331	77,130		77,130	23,196
Total expenses	<u>\$3,501,900</u>	<u>\$1,427,037</u>	<u>\$4,928,937</u>	<u>\$599,863</u>	<u>\$5,528,800</u>	<u>\$2,809,458</u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**EMBLAZE ACADEMY CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020**

(With comparative totals for the period from inception through June 30, 2019)

	<u>6/30/20</u>	<u>6/30/19*</u>
Cash flows from operating activities:		
Change in net assets	(\$900,368)	\$743,554
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	77,130	23,196
Changes in assets and liabilities:		
Grants receivable - New York City	(25,757)	(8,776)
Grants receivable - other	(228,028)	(39,294)
Prepaid expenses and other assets	(153,371)	(63,684)
Security deposits	0	(220,834)
Accounts payable and accrued expenses	1,913	135,480
Paycheck Protection Program Loan	338,725	0
Deferred rent	1,036,863	0
Total adjustments	<u>1,047,475</u>	<u>(173,912)</u>
Net cash flows provided by operating activities	<u>147,107</u>	<u>569,642</u>
Cash flows from investing activities:		
Purchases of furniture and equipment	<u>(260,996)</u>	<u>(182,902)</u>
Net cash used for investing activities	<u>(260,996)</u>	<u>(182,902)</u>
Net (decrease)/increase in cash, cash equivalents, and restricted cash	(113,889)	386,740
Cash, cash equivalents, and restricted cash - beginning of year	<u>386,740</u>	<u>0</u>
Cash, cash equivalents, and restricted cash - end of year	<u><u>\$272,851</u></u>	<u><u>\$386,740</u></u>
Reconciliation to Statement of Financial Position:		
Cash and cash equivalents	\$222,838	\$361,739
Restricted cash (Note 4)	50,013	25,001
Total cash, cash equivalents, and restricted cash	<u><u>\$272,851</u></u>	<u><u>\$386,740</u></u>
Supplemental disclosures:		
Interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

\* Reclassified for Comparative Purposes

*The attached notes and auditor's report are an integral part of these financial statements.*

**EMBLAZE ACADEMY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**Note 1 - Organization**

Emblaze Academy Charter School (the "School"), located in Bronx, New York, is a not-for-profit education corporation chartered by the Board of Regents of the State of New York. The School provides a full range of educational services appropriate for Grades 5-8. The School completed the 2019-2020 fiscal year with an average enrollment of approximately 160 students. The School is a publicly funded, privately managed school, which is independent of the New York City Department of Education ("NYCDOE").

In August 2018, the School was granted a provisional charter for a term up to and including June 2023. The summarized comparative information reflects activity from inception through June 30, 2019.

The School has been notified by the Internal Revenue Service that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. They have not been designated as a private foundation.

The School is affiliated with Friends of Emblaze Academy Charter School, Inc. ("Friends of Emblaze") through the use of shared members of their respective boards of trustees. Friends of Emblaze is a not-for-profit corporation established to support the creation of the School and function as the fundraising arm of the School. As the School does not have control over Friends of Emblaze, the financial statements are not permitted to be consolidated.

**Note 2 - Summary of Significant Accounting Policies**

a. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

Effective July 1, 2019, the School adopted the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "Topic 606"). This provides the framework for recognizing revenue by highlighting the identification of performance obligations of a contract, determining the price and then allocating the price to each of the performance obligations so that revenue is recognized as each of those performance obligations are satisfied.

Also, effective July 1, 2019, the School adopted ("ASU") No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("Topic 605"). Key provisions of this guidance include clarification regarding

the accounting for grants and contracts as exchange transactions or contributions, and improved guidance for conditional versus unconditional contributions. In accordance with this new standard, the School evaluates whether a transfer of assets is an exchange transaction in which a resource provider is receiving a commensurate value in return for the transfer of resources or whether it is non-reciprocal. If the transaction is determined to be an exchange transaction, the School applies guidance under Topic 606. If the transaction is determined to be non-reciprocal, it is treated as a contribution under Topic 605.

For contributions, the School evaluates whether they are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for the School to be entitled to the revenue and a right of return of the asset or right of release from the obligation exists.

Analysis of the various provisions of both of these standards resulted in no significant changes in the way the School recognizes revenue.

b. Basis of Presentation

Net assets are classified based upon the existence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor. The School did not have any net assets with donor restrictions at June 30, 2020 or June 30, 2019.

c. Revenue Recognition

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

The School's public-school district revenue and other government grants are primarily conditional, non-exchange transactions and fall under Topic 605. Revenue from these transactions is recognized based on rates established by the School's funding sources and when performance related outcomes are achieved as well as other conditions under the agreements are met.

Contributions and grants that are due within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. Pledges are reviewed for collectability.

Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists as of June 30, 2020 or June 30, 2019. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollected.

d. Cash and Cash Equivalents

The School considers all liquid investments purchased with a maturity of three months or less to be cash and cash equivalents. Restricted cash has been classified separately.

e. Concentration of Credit Risk

Financial instruments, which potentially subject the School to concentration of credit risk, consist of cash accounts, which have been placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. While at year end the School had uninsured balances, management feels they have little risk and has not experienced any losses due to bank failure.

f. Capitalization Policy

Computer hardware, furniture and equipment are capitalized at cost or at the fair value at the date of gift, if donated. The School capitalizes fixed assets in excess of \$5,000 that have a useful life of more than one year. Depreciation was computed using the straight-line method over the estimated useful life of each asset, which generally is between 3 and 7 years.

g. Donated Services

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided in-kind. Board members and other individuals volunteer their time and perform a variety of tasks that assist the School. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

h. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Salaries were allocated using time and effort as the basis. The following costs were allocated using the salary allocation as the basis:

- Payroll taxes and benefits
- Insurance

Certain program expenses have been allocated between Regular Education and Special Education based on student FTE rates. All other expenses have been charged directly to the applicable program or supporting services.

i. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

j. Contingencies

Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves. Any disallowed costs would be recorded in the period notified.

k. Accounting for Uncertainty of Income Taxes

The School does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2018, the School's initial filing, and later are subject to examination by applicable taxing authorities.

l. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

m. New Accounting Pronouncement

FASB issued ("ASU") No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

FASB issued ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the June 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line item presentation on the statement of activities and additional disclosures.

The School is in the process of evaluating the impact these standards will have on future financial statements.

**Note 3 - Grants Receivable – New York City Department of Education**

Activity related to the contract with the NYCDOE can be summarized as follows:

	<u>6/30/20</u>	<u>6/30/19</u>
Beginning grants receivable	\$8,776	\$0
Per pupil funding:		
Funding based on allowable FTE's	3,429,242	1,781,400
Advances received	<u>(3,403,485)</u>	<u>(1,772,624)</u>
Ending grants receivable	<u>\$34,533</u>	<u>\$8,776</u>

In addition to per pupil funding, the School was entitled to receive a rent subsidy, that is calculated at the lower of 30 percent of the per pupil amount or actual lease costs as approved by NYCDOE. During the year ended June 30, 2020, the amount of rent subsidy recognized was \$790,462 based on the per pupil cap.

**Note 4 - Restricted Cash**

An escrow account has been established to meet the requirement of the Board of Regents of the State of New York. The purpose of this account is to ensure sufficient funds are available for an orderly dissolution or transition process in the event of termination of the charter or school closure.

**Note 5 - Fixed Assets**

Fixed assets consist of the following:

	<u>6/30/20</u>	<u>6/30/19</u>
Furniture, fixtures and equipment	\$443,898	\$182,902
Less: accumulated depreciation	<u>(100,326)</u>	<u>(23,196)</u>
Total fixed assets, net	<u>\$343,572</u>	<u>\$159,706</u>

**Note 6 - Paycheck Protection Program Loan**

During the year ended June 30, 2020, the School obtained a loan from the SBA through the Payroll Protection Program. Terms of the loan indicate that if certain conditions are met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are not less than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven. Portions that are not forgiven will be payable over a five-year period, with a six-month deferral of payments and interest will accrue at 1%. The loan forgiveness amount has not been determined as of the date of these financial statements.

The School expects to recognize revenue from this loan consistent with ASU 2018-08, as it is considered to have traits similar to a conditional contribution; however, will continue to review whether any new accounting pronouncements may be issued that will provide more definitive guidance.

**Note 7 - Significant Concentrations**

The School is dependent upon grants from the NYCDOE to carry out its operations. Approximately 74% and 50% of the School’s total public support and revenue was from the NYCDOE for the fiscal year ended June 30, 2020 and for the period from inception through June 30, 2019, respectively. If the NYCDOE were to discontinue funding it would have a severe economic impact on the School’s ability to operate.

**Note 8 - Commitments and Contingencies**

The School has a sublease agreement with Friends of Emblaze for educational and administrative space that became effective July 1, 2019. The lease expires on June 30, 2040 with two five-year renewal options. Friends of Emblaze is responsible to pay rent, various utilities, and provide services on the School’s behalf. The School will then make monthly payments to Friends of Emblaze to cover these expenses.

These amounts included base rent of \$600,000 plus additional facility costs of \$417,708 for the year ended June 30, 2020.

Future minimum payments under this lease are as follows:

Year ending:	June 30, 2021	\$1,482,936
	June 30, 2022	1,779,528
	June 30, 2023	1,815,120
	June 30, 2024	1,851,420
	June 30, 2025	1,888,440
	Thereafter	<u>33,310,848</u>
Total		<u>\$42,128,292</u>

**Note 9 - Retirement Plan**

The School has a retirement plan (“plan”) under Section 403(b) of the latest Revenue Code. All employees who are at least 21 years of age are eligible to participate. Employees may elect to defer a portion of their salary and contribute to the plan up to statutory amounts and receive an employer-based contribution equal to 100% of the salary reduction contributions made by the employee for the calendar year, not to exceed 3% of the employee’s salary.

The School contributed \$17,000 and \$23,000 to the plan during the fiscal year ended June 30, 2020 and the period from inception through June 30, 2019, respectively. The following vesting periods apply:

<u>Period</u>	<u>Vesting Percentage</u>
Less than 1 year	0%
At least 2, but less than 3 years	50%
3 years or more	100%

**Note 10 - Availability and Liquidity**

At June 30, 2020, the School's financial assets available to meet cash needs for general expenditures within one year are \$524,693, which consist of cash and cash equivalents of \$222,838 and grants receivable due within one year of \$301,855. There are no external or internal limits imposed on these balances. As part of its liquidity management, the School operates its programs within a board approved budget and relies on grants and contributions to fund its operations and program activities.

**Note 11 - Subsequent Events**

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through October 27, 2020, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date, through our evaluation date, that would require adjustment to or disclosure in the financial statements.

**Note 12 - Other Matters**

In January 2020, the World Health Organization declared the novel coronavirus (COVID-19) a Public Health Emergency of International Concern. Since then, the pandemic has led to quarantines, facility closures, and travel and logistics restrictions that have hurt workforces, economies, and financial markets. These events could adversely affect the School by potentially impacting the funding it receives, limiting program operations, depressing demand for its services, and disrupting its students, staff, and suppliers. As of the date of these financial statements, the potential impact of these events on the School cannot be quantified.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS***

Independent Auditor's Report

To the Board of Trustees of  
Emblaze Academy Charter School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Emblaze Academy Charter School (the "School"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 27, 2020.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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Schall & Ashenfarb  
Certified Public Accountants, LLC

October 27, 2020

**EMBLAZE ACADEMY CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2020**

Current Year:

None

Prior Year:

None